

Second Judicial District Indigent Defender Fund

Jonesboro, Louisiana

Annual Financial Statements

As of and For the Year Ended

June 30, 2012

With Supplemental Information Schedules

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As of and For the Year Ended June 30, 2012
With Supplemental Information Schedules

CONTENTS

	Statement/ Schedule	Page
Independent Auditor's Report		2 - 3
Required Supplementary Information - Part I		
Management's Discussion and Analysis		5 - 6
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets	A	9
Statement of Activities	B	10
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	12
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Assets	D	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	14
Notes to the Financial Statements		16 - 21
Required Supplementary Information - Part II		
Budgetary Comparison Schedule		
Governmental Fund	1	23
Notes to the Budgetary Comparison Schedule		24
Independent Auditor's Report on Internal Control and on Compliance and Other Matters:		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		25 - 26
Supplemental Information Schedules:		
Schedule of Findings and Questioned Costs	2	28

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INDEPENDENT AUDITOR'S REPORT

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Second Judicial District Indigent Defender Fund as of June 30, 2012, and for the year then ended, which collectively comprise the Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Second Judicial District Indigent Defender Fund's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Second Judicial District Indigent Defender Fund as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2012, on our consideration of the Second Judicial District Indigent Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the budgetary comparison information on pages 5 through 6 and page 23, respectively, are not a required part of the basic financial statements but are supplementary information required by U. S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Second Judicial District Indigent Defender Fund's basic financial statements. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kenneth D. Folden & Co., CPAs

November 28, 2012
Jonesboro, Louisiana

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Management's Discussion and Analysis
As of and For the Year Ended June 30, 2012

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information is presented to provide an overview of the Second Judicial District Indigent Defender Fund's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Second Judicial District Indigent Defender Fund as a whole and present a longer-term view of the Second Judicial District Indigent Defender Fund's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Second Judicial District Indigent Defender Fund maintains only one fund, the general fund, through which all of its operations are conducted.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	2012	2011
ASSETS:		
Assets	\$ 210,772	\$ 152,914
Capital assets, net	9,945	15,422
Total Assets	<u>\$ 220,717</u>	<u>\$ 168,336</u>
LIABILITIES:		
Payables	\$ 1,366	\$ 595
Total Liabilities	<u>\$ 1,366</u>	<u>\$ 595</u>
NET ASSETS:		
Investment in capital assets (net)	\$ 9,945	\$ 15,422
Unrestricted	209,407	152,319
Total Net Assets	<u>\$ 219,352</u>	<u>\$ 167,741</u>

Summary of Statement of Activities

	2012	2011
REVENUES:		
General Revenues:		
Court Costs, Fines, and Forfeitures	\$ 205,287	\$ 229,848
Fees from Indigents	17,877	15,386
Appearance Bond Rebates and Bond Premium Fees	31,782	33,331
Grant Income	257,576	-
Interest Income	813	2,912
Miscellaneous Income	1,050	72
Total Revenues	514,385	281,549
EXPENSES:		
Indigent Board	462,774	494,286
Total Expenses	462,774	494,286
Change in Net Assets	\$ 51,611	\$ (212,737)

- The Second Judicial District Indigent Defender Fund's assets exceeded its liabilities by \$219,352 (net assets) for the year. This is an increase of \$51,611 from the prior period.
- Unrestricted net assets of \$209,407 represent the portion available to maintain the Second Judicial District Indigent Defender Fund's obligation to both citizens and creditors.

General Fund Budgetary Highlights

Revenues continue to be sufficient to enable the Second Judicial District Indigent Defender Fund to provide legal counsel to public defendants in the Second Judicial District.

Economic Factors and Next Year's Budget

The Second Judicial District Indigent Defender Fund considered many factors when setting the budget for the next fiscal year. Anticipated revenues should decrease slightly and a small decrease in expenditures is expected. However, the budget for year June 30, 2013 should not decrease significantly from the year ending June 30, 2012.

Contacting the District Public Defender Fund

This financial report is designed to provide our citizens and creditors with a general overview of the Second Judicial District Indigent Defender Fund's finances and to show the Second Judicial District Indigent Defender Fund's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to District Public Defender Clay Carroll, 525 E. Court Street, Jonesboro, Louisiana 71251.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Statement of Net Assets
As of June 30, 2012

	Governmental Activities
ASSETS	
Current Assets:	
Cash and equivalents	\$ 190,561
Accounts receivable	20,211
TOTAL CURRENT ASSETS	210,772
Non-Current Assets:	
Capital assets (net of accumulated depreciation)	9,945
TOTAL ASSETS	\$ 220,718
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 1,366
TOTAL LIABILITIES	1,366
NET ASSETS	
Invested in capital assets, net of related debt	9,945
Unrestricted	209,407
TOTAL NET ASSETS	\$ 219,352

The accompanying notes are an integral part of this financial statement.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Statement of Activities
For the Year Ended June 30, 2012

	MAJOR FUNDS				Net (Expense) Revenue and Changes in Net Assets
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 462,774	\$ -	\$ 257,576	\$ -	\$ (205,198)
Total governmental activities	<u>\$ 462,774</u>	<u>\$ -</u>	<u>\$ 257,576</u>	<u>\$ -</u>	<u>\$ (205,198)</u>

GENERAL REVENUES

Court costs, fines, and forfeitures	205,287
Fees from indigents	17,877
Appearance bond rebates and bond premium fees	31,782
Interest	813
Miscellaneous	<u>1,050</u>
Total general revenues	<u>256,808</u>
Change in net assets	51,611
Net assets - June 30, 2011	<u>167,741</u>
Net assets - June 30, 2012	<u>\$ 219,352</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Balance Sheet - Governmental Funds
As of June 30, 2012

	General Fund
ASSETS	
Cash and equivalents	\$ 190,561
Receivables, net	<u>20,211</u>
TOTAL ASSETS	<u><u>\$ 210,772</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ 1,366</u>
TOTAL LIABILITIES	<u>\$ 1,366</u>
Fund Balances:	
Unassigned	<u>209,407</u>
TOTAL FUND BALANCE	<u>209,407</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 210,772</u></u>

Statement D

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
As of June 30, 2012

Total Fund Balances of General Fund at June 30, 2012	\$ 209,407
Total Net Assets reported for Governmental Activities in the Statement of Net Assets (Statement A) are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental fund	<u>9,945</u>
Net Assets of governmental activities at June 30, 2012	<u><u>\$ 219,352</u></u>

The accompanying notes are an integral part of this financial statement.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Year Ended June 30, 2012

	General Fund
REVENUES	
Court costs, fines, forfeitures	\$ 205,287
Fees from indigents	17,877
Appearance bond rebates and bond premium fees	31,782
Grants	257,576
Interest income	813
Miscellaneous income	1,050
TOTAL REVENUES	<u>514,384</u>
EXPENDITURES	
Contracted legal services	366,621
Office and research	7,748
Insurance	36,680
Professional services	38,746
Seminars, travel, maintenance	7,502
TOTAL EXPENDITURES	<u>457,297</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>57,088</u>
NET CHANGES IN FUND BALANCES	57,088
FUND BALANCES - June 30, 2011	<u>152,319</u>
FUND BALANCES - June 30, 2012	<u><u>\$ 209,407</u></u>

The accompanying notes are an integral part of this financial statement.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (Statement E)	\$ 57,088
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Amount reported for governmental activities in the Statement of Activities (Statement B)
are different because:

Capital outlay costs, which are expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance (Statement E)	-
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Depreciation expense for the year ended June 30, 2012	<u>(5,477)</u>
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Change in net assets of governmental activities (Statement B)	<u><u>\$ 51,611</u></u>
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The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2012

1. Introduction:

The Second Judicial District Indigent Defender Fund is established in compliance with Louisiana Revised Statutes 15:141-184, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parishes of Bienville, Claiborne and Jackson, Louisiana. The District Public Defender manages and supervises the public defender services provided within the Second Judicial District of Louisiana. The District Public Defender is responsible for complying with the statutory requirements of Louisiana Revised Statute 15:161 in the performance of the duties of the District Public Defender, and in the operations of the Fund.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Second Judicial District Indigent Defender Fund conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Second Judicial District Indigent Defender Fund includes all funds, account groups, et cetera, that are within the oversight responsibility of the Second Judicial District Indigent Defender Fund. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on the consideration of the foregoing criteria, the Second Judicial District Indigent Defender Fund is deemed to be a separate reporting entity. Certain units of local government over which the Second Judicial District Indigent Defender Fund exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Second Judicial District Indigent Defender Fund.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Second Judicial District Indigent Defender Fund's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Fund Accounting

The accounts of the Second Judicial District Indigent Defender Fund are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Second Judicial District Indigent Defender Fund maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Second Judicial District Indigent Defender Fund is described below:

Governmental Fund

General Fund

The General Fund is the general operating fund of the Second Judicial District Indigent Defender Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Fund as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Public Defender Fund considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) non-matured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity

Cash and Interest-Bearing Deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Second Judicial District Indigent Defender Fund.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Vehicles	7 years

Liabilities

Compensated Absences

The Second Judicial District Indigent Defender Fund does not have any employees. Therefore, no entry is made to record compensated absences.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Consists of capital assets including

restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

According to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance can be classified as non-spendable, restricted, committed, assigned, and unassigned. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation as non-spendable. Restricted fund balances are legally restricted by outside parties, purposes stipulated by constitution, or through enabling legislation for use for a specific purpose. Committed fund balances include amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. Assigned fund balances are intended to be used by the Fund for a specific purpose but do not meet the criteria for restricted or committed classification. Unassigned fund balances are the residual classification for the Fund's General Fund and include all spendable amounts not designated as restricted, committed, or assigned.

F. Budget

Prior to the beginning of each fiscal year, the Fund adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At June 30, 2012, the Second Judicial District Indigent Defender Fund had cash and cash equivalents (book balances) totaling \$190,507. All cash is deposited in interest bearing accounts. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Second Judicial District Indigent Defender Fund.

The deposits (bank balances) at June 30, 2012, were secured as follows:

Demand Deposits	\$ 140,507
Certificate of Deposit	<u>50,054</u>
Total	<u>\$ 190,561</u>
FDIC Insurance	<u>\$ 190,561</u>
Total	<u>\$ 190,561</u>

4. Receivables:

The receivables of \$20,211 at June 30, 2012 are as follows,

	Bienville Parish	Claiborne Parish	Jackson Parish
2% Bond Premium	\$ 4,323	\$ 1,541	\$ 621
Court Costs	7,515	4,425	1,476
Restitution Payments	-	55	256
Total	<u>\$ 11,838</u>	<u>\$ 6,021</u>	<u>\$ 2,353</u>

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2012, are as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
Capital Assets Depreciated:				
Furniture, computers	\$ 23,190	\$ -	\$ -	\$ 23,190
Vehicle	<u>19,823</u>	<u>-</u>	<u>-</u>	<u>19,823</u>
Total Assets	43,013	-	-	43,013
Less Accumulated Depreciation:				
Furniture, computers	19,662	1,512	-	21,174
Vehicle	<u>7,929</u>	<u>3,965</u>	<u>-</u>	<u>11,894</u>
Total Depreciation	<u>27,591</u>	<u>5,477</u>	<u>-</u>	<u>33,068</u>
Net Capital Assets	<u>\$ 15,422</u>	<u>\$ (5,477)</u>	<u>\$ -</u>	<u>\$ 9,945</u>

Depreciation expense of \$5,477 was charged to the general government function.

6. Pension Plan:

The Fund has no employees, so there is no participation in a pension plan.

7. Governmental Fund Revenues and Expenditures:

For the year ended June 30, 2012, the major sources of governmental fund revenues and expenditures were as follows:

Revenues	
State Government	
Grants	\$ 257,576
Total	<u>257,576</u>
Local Government	
Statutory fines, forfeitures, fees, court costs, and other	52,059
Criminal court fund	<u>203,937</u>
Total	<u>255,996</u>
Investment Earnings	<u>813</u>
Total Revenues	<u>\$ 514,385</u>
Expenditures	
Operating Cost	
Library and research	\$ 7,597
Contract services - attorney/legal	341,009
Contract services - other	62,672
Insurance	36,680
Other	<u>9,339</u>
Total	<u>457,297</u>
Capital Outlay	<u>-</u>
Total Expenditures	<u>\$ 457,297</u>

8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 28, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2012

	Budget - Original	Actual	Variance Favorable (Unfavorable)
REVENUES			
Court costs, fines, forfeitures	\$ 251,000	\$ 205,287	\$ (45,713)
Fees from indigents	25,000	17,877	(7,123)
Appearance bond rebates and bond premium fees	96,425	31,782	(64,644)
Grants	-	257,576	257,576
Interest income	500	813	313
Miscellaneous income	-	1,050	1,050
TOTAL REVENUES	<u>372,925</u>	<u>514,384</u>	<u>141,459</u>
EXPENDITURES			
Contracted legal services	375,342	366,621	8,721
Office and research	9,100	7,748	1,352
Insurance	64,550	36,680	27,870
Professional services	40,500	38,746	1,754
Seminars, travel, maintenance	9,450	7,502	1,948
TOTAL EXPENDITURES	<u>498,942</u>	<u>457,297</u>	<u>41,645</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>(126,017)</u>	<u>57,088</u>	<u>183,105</u>
NET CHANGES IN FUND BALANCES	<u>(126,017)</u>	<u>57,088</u>	<u>183,105</u>
FUND BALANCES - June 30, 2011	<u>152,319</u>	<u>152,319</u>	<u>-</u>
FUND BALANCES - June 30, 2012	<u>\$ 26,302</u>	<u>\$ 209,407</u>	<u>\$ 183,105</u>

The accompanying notes are an integral part of this financial statement.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2012

NOTE 1 - BUDGETARY POLICIES

A proposed budget for the general fund of the Second Judicial District Indigent is prepared on the modified accrual basis of accounting. The budget is legally adopted by the Second Judicial District Indigent Defender Fund and then amended during the year, as necessary. The budget is established and controlled at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The Second Judicial District Indigent Defender Fund authorizes all amendments to the budget. There were no amendments made to the original budget.

Formal budgetary integration is employed as a management control device during the year.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Second Judicial District Indigent Defender Fund, as of and for the year ended June 30, 2012, which collectively comprise the Second Judicial District Indigent Defender Fund's basic financial statements and have issued our report thereon dated November 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Second Judicial District Indigent Defender Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Second Judicial District Indigent Defender Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Second Judicial District Indigent Defender Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Second Judicial District Indigent Defender Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Second Judicial District Indigent Defender Fund, management of the Second Judicial District Indigent Defender Fund, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kenneth D. Folden & Co., CPAs

Jonesboro, Louisiana
November 28, 2012

SUPPLEMENTAL INFORMATION SCHEDULES

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

We have audited the basic financial statements of the Second Judicial District Indigent Defender Fund as of and for the year ended June 30, 2012, and have issued our report thereon dated November 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

SECTION 1. SUMMARY OF AUDITOR'S REPORT

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses __Yes XNo Other Conditions __Yes XNo

Compliance

Compliance Material to Financial Statements __Yes XNo

B. Findings - Financial Statements Audit

Current Year

No Findings.

Prior Year

No Findings.